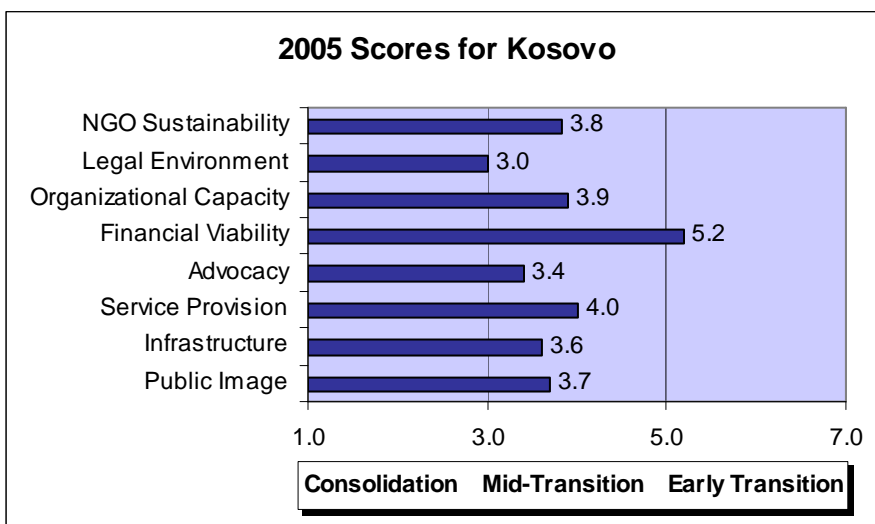


## Kosovo



**Capital:** Pristina

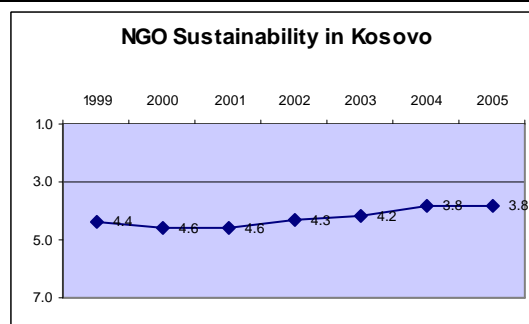
**Polity:** International protectorate

**Population:**  
2,200,000

**GDP per capita  
(PPP):** \$2,200

### NGO SUSTAINABILITY: 3.8

This past year was the most challenging in Kosovo's recent history. One political challenge was the Hague's indictment of Prime Minister Haradinaj and his subsequent resignation. Another was the implementation of the Standards Implementation Plan and the October 2005 evaluation by Kai Eide, Special Envoy to UN Secretary General Kofi Annan, recommending that the UN initiate the final status process. Eide's report provided recommendations regarding the areas in which the international community should stay involved and maintain administrative responsibilities regardless of the outcome with respect to status. While initiating the final status process may end political stagnation and mark a period of dynamic developments, the uncertainty of the end result will also create great tension. The recent emergence of the "Vetevendosja" ("Self-determination") movement, which received significant popular support, calls for an end to the United Nations Interim Administration Mission in Kosovo (UNMIK) and for resolution of final status by self-determination. The economic challenges are generally the same as last year, with widespread poverty and unemployment still the highest in Europe.



More than 2500 NGOs exist in Kosovo, of which approximately 150 are well established and active. Cooperation between NGOs from different ethnic backgrounds and regions has increased, as has networking. Active NGOs have improved their organizational structures, advocacy skills and financial viability. The law on public procurement, enacted almost two years ago, has enabled NGOs to compete for government contracts to provide goods and services. The number of NGOs receiving grants and contracts from the government has increased.

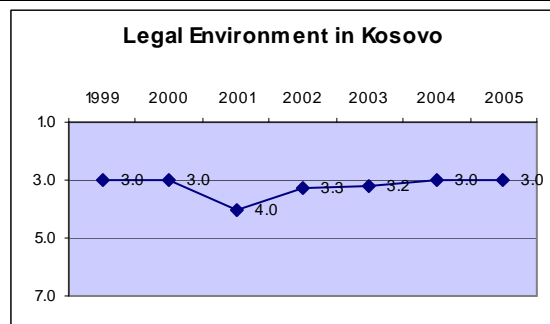
The overall sustainability did not improve over the past year. Slight improvements in the Organizational Capacity, Financial Viability and Advocacy dimensions were offset by a more

significant setback in the Infrastructure dimension.

Kosovo remains under United Nations administration and has two levels of government, UNMIK and PISG (Provisional

Institutions of Self Government). UNMIK continues to retain a portion of the governing responsibilities, though for this report, all references to local and federal government will be to be to PISG.

### LEGAL ENVIRONMENT: 3.0



NGOs enjoy a favorable legal environment. The UNMIK regulations ensure that registration is quick and easy, taking most organizations a very short time. At the local level, KFOR and OSCE community officers encourage informal citizen's groups to register, and even offer them legal services in support. The law protects NGOs from the state and prevents arbitrary dissolution of NGOs for political reasons. Organizations are not harassed by the government or tax authorities. They continue to address issues important to their constituencies and criticize the government and UNMIK without retribution. For example, the Vetevendosja movement is critical of both UNMIK and the Kosovar government in calling for alternative processes that will lead Kosovo to the final status determination, and the

government has not interfered with its activities.

The Kosovar Institute for NGO Law (IKDO), which was the only organization that provided legal services to NGOs, closed its offices in June 2005. The demand for such legal services is low, and few organizations have legal problems. Organizations do not have to pay taxes on grants and are exempt from paying other taxes, though the refund process continues to be slow. Corporations are able to take a deduction of up to 5% of their revenue for charitable donations. The definition of charitable donation, however, is broad and most corporate donations support sports clubs, sports federations and scholarships, and individuals. The tax laws do not allow deductions for charity by individual donors and the laws were crafted this way to ensure simplicity and ease of administration.

Organizations are able to earn income from the provision of goods and services. They are also able to compete for government grants at both the local and national levels. The number of grants and contracts awarded increased over last year.

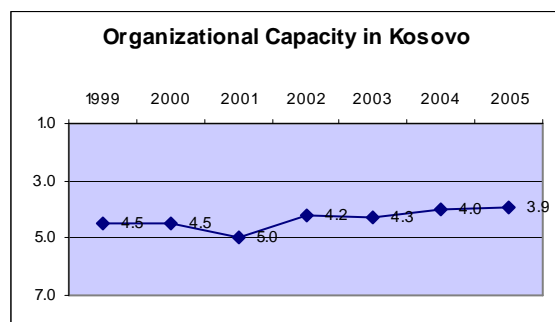
### ORGANIZATIONAL CAPACITY: 3.9

A small number of NGOs have improved organizational capacity. NGO service providers and organizations with large memberships generally have the strongest constituencies. They are also the most successful in raising funds from local sources and the Diaspora. The Mother Theresa Society continues to be very effective in assisting the poor and reaching out to the Serbs in isolated villages. The Association of War Veterans and the Association of War Invalids depend entirely on funds they raise from local communities and the Diaspora.

Policy and research organizations that address issues such as democracy and economic development, by contrast, depend on funding from the international donor community. A number of think tanks and research organizations have started to raise funds by providing services to the Kosovo government.

A group of prominent and active organizations are aware of their organizational and management shortcomings and have sought training and advice on how to strengthen and

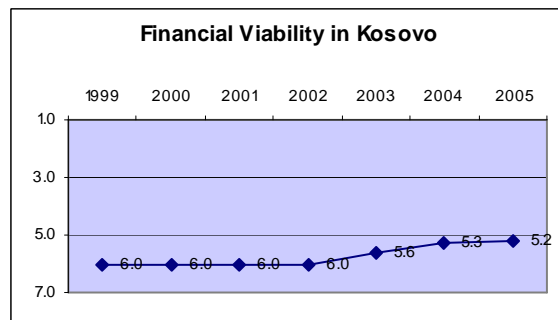
achieve sustainability of their organizations. Though limited, the number of organizations that have Boards of Directors, volunteers, paid staff, and other components of a strong institution has increased. The numbers are still relatively small and these organizations are based largely in Prishtina.



Those involved with NGO activities have high levels of professionalism and experience. Many

## FINANCIAL VIABILITY: 5.2

Financial Viability is the most important dimension for the future of NGOs in Kosovo. Local support continues to be insignificant, with the majority of local philanthropy supporting charity and services. Organizations that work in other areas have greater difficulty raising funds at the local level, or developing a connection with the general population, calling into question their capacity for reaching out to the public or building a constituency.



A number of organizations, most often those with a variety of funding sources, are able to write good funding proposals. Organizations

## ADVOCACY: 3.4

Government institutions and NGOs have partnered on numerous projects. Almost all

organizations have a permanent staff, but they are not always successful in recruiting and engaging volunteers. One reason may be that the concept of volunteerism needs to be redefined and adapted to post-1999 Kosovo. During the 1990's, rates of volunteerism were very high, fueled in large part by a desire to contribute to the resistance against the oppressive Serbian regime. Post-1999, many citizens want a break from volunteerism forcing civil society to provide new incentives to foster a culture of volunteerism, such as partnering with schools that offer community service credits to students that volunteer.

NGOs generally have basic office equipment, including computers, fax and printing machines, and internet, at their disposal. Many smaller organizations have yet to realize the importance of business-style management to their success.

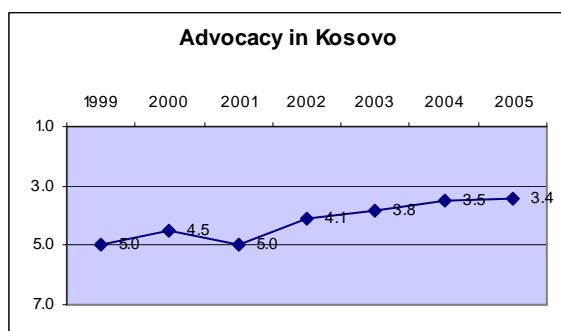
that receive donor funding generally have sufficient financial systems, but often lack transparency in their financial transactions.

Few organizations realize that their survival depends on the ability to raise funds, and only a small number of NGOs have a staff with appropriate fundraising skills. Organizations are beginning to explore various fundraising techniques, but they often limit their searches to their membership or immediate constituencies, failing to consider demands for other products and services they could provide.

This year, the government signed more contracts with NGOs than in the past. The central and local governments contracted out a variety of services including home reconstruction and assessments. Most often, government officials contracted with NGOs to provide policy papers to support lawmaking efforts.

working groups drafting government policies have invited members of the NGO sector and

academia to participate. In addition, numerous ad-hoc coalitions were created to react to constituent concerns. The business community is the most active in advocating for the interests of their constituents. The Association of Kosovo Businesses (AKB) is very active in creating an environment that will support the growth of local business, and advocates for lowering taxes on raw materials, as well as better credit terms for local businesses. The AKB also recently completed a public awareness campaign to promote local products. The campaign was well organized and received extensive coverage from the local media. RIINVEST, a local economic think tank, was successful in advocating for amendments to the law creating the Chamber of Commerce, striking the provision that required businesses to be members.

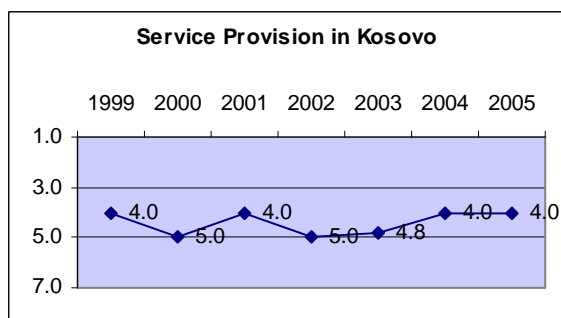


At the local level, organizations cooperated with local governments on a variety of matters, including issues of return. Local organizations also promoted local products. In the region surrounding Gjilan, an agricultural area, organizations led a movement to promote consumption of local produce. The NGO community now considers lobbying as an effective tool. The Kosovar Women's Lobby was created to bring together women from the business, NGO and Government sectors. The NGO sector has lobbied both UNMIK and the PISG, but in the five years of UNMIK governance, organizations have had little success in influencing the UN mission.<sup>26</sup>

<sup>26</sup> Kosovo is an international protectorate. There are two layers of government: UNMIK and PISG. UNMIK still retains the bulk of competencies of governance, but the NGO sector, in its advocacy efforts deals with both. In the last five years of UNMIK administration, the NGO sector has major difficulties in influencing UNMIK decisions. For the purpose of this exercise this section of the report will define PISG as local and federal government.

## SERVICE PROVISION: 4.0

The concept of NGOs as service providers is widely accepted throughout Kosovo. Organizations provide a variety of services, especially basic social services such as health care, education, relief, housing, water and energy. The number of organizations providing services in other areas such as economic development, environmental protection and governance is small.



The number of organizations receiving grants and contracts to provide community services did not change in the past year. Handikos, Community Development Fund, some women's organizations, and youth groups are the largest recipients of government grants and contracts. The government has contracted NGOs to assist them with drafting policy papers on topics such as decentralization and economic development. KIPRED now assists government working groups in drafting policy for the future Ministry of the Interior, while RIINVEST assists in refining fiscal policies and establishing a credible budget process.

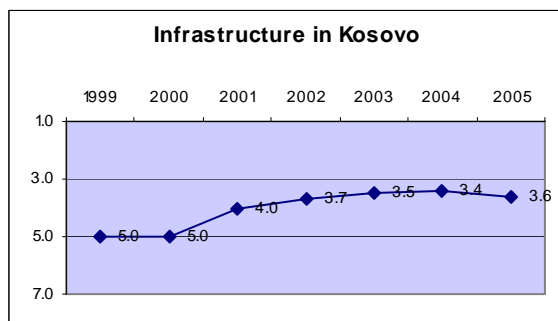
Despite these examples, the government has yet to develop a tradition of outsourcing

services to the NGO sector. Similarly, NGOs have not improved their abilities to recover costs. Some educational institutions with nonprofit status, the IPKO Institute and The New Millennium for example, charge tuition to

generate income. These are isolated examples from the capital. Outside Prishtina, the concept of recovering costs is still foreign to smaller organizations.

### INFRASTRUCTURE: 3.6

The NGO infrastructure has been less supportive than in past years. OSCE-established resource centers have been less active in providing services to other NGOs, and some have changed their missions to include implementation of advocacy programs. The only functioning resource center is the Advocacy Training and Resource Center (ATRC) based in Prishtina. ATRC is undergoing organizational and staff changes and has recently hired a number of qualified trainers. During this consolidation period, the number of trainings offered has been very small.

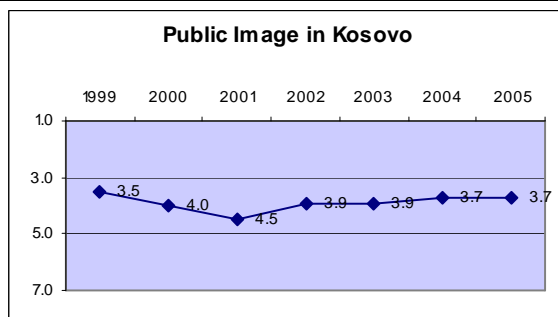


Five local grant making foundations, one based outside of Prishtina, re-distribute international donor funds. International funding generally

addresses locally identified projects. The Community Development Fund offers grants to NGO service providers to increase the availability of social services. KFOS supports a wide variety of NGOs, especially organizations that provide services to minorities. The Kosovo Civil Society Foundation re-grants funding provided by the European Agency for Reconstruction. The Kosovo Women's Initiative provides grants to smaller women's rights organizations in the rural areas, and the Foundation for Democratic Initiatives provides grants for advocacy organizations.

NGOs share information with each other, but formal channels of communication do not exist. Similarly, the NGO sector still does not have an organization or committee through which NGOs may promote their interests. Informal inter-sectoral partnerships exist and are very effective. Business associations are the most successful in building these partnerships. Environmental organizations are also successful in building partnerships, and have partnered with the Green Party of Kosovo, which is a small political party that has yet to win a seat in the Parliament.

### PUBLIC IMAGE: 3.7



NGOs continue to attract attention from both the national and local media. The coverage

is generally positive and related to public events organized by NGOs. Both public and private national television stations broadcast public service announcements by key organizations in prime time free of charge. Less influential organizations are able to place public service announcements on public television, but not during prime time.

Overall, the public understands the concept of an NGO and has a positive perception of the sector. The most prominent incident involving the NGO sector's public image was when the speaker of Parliament, during an address to

parliamentarians, made several comments such as “Please do not act like NGOs. Be more serious. We are Parliamentarians and not NGOs.” A small group of organizations has

developed a very good relationship with journalists. Leading NGOs publish annual reports of their activities and their financial statements.